



# Australian Bureau of Statistics

## 6102.0 - Labour Statistics: Concepts, Sources and Methods, 2001

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### INTRODUCTION

2.1 Labour statistics comprise a system of interrelated statistics on the economic activity of the population. This chapter discusses the concepts underlying measures of the economically active population, including economic activity, the population, and the labour force framework. It also contrasts the various measures of the economically active population collected in ABS household surveys.

### CONCEPTS AND INTERNATIONAL GUIDELINES

2.2 The international standards and guidelines for measures of the economically active population are set out in the ILO Convention 160 and the ICLS Resolution 170 of 1982. The economically active population is seen as furnishing the supply of labour for economic production. The economically active population is defined to comprise all persons who, during a specified time reference period, contribute to or are available to contribute to the production of economic goods and services as defined by the United Nations System of National Accounts (SNA). The ILO, in its manual '**Surveys of Economically Active Population, Employment, Unemployment and Underemployment**', discusses the rationale for the concepts underlying the standard measures. The manual also provides guidelines on methods for their collection, by means of population censuses and surveys. The guidelines suggest that survey measures of the economically active population involve three basic considerations:

- the scope of the population to be covered;
- the scope of economic activity; and
- a measurement framework for classifying the in-scope population according to their activities.

### SCOPE OF THE POPULATION

2.3 The economically active population should, in theory, include the entire population of the country who are engaged in economic activity as defined. In practice, restrictions are sometimes imposed both for legal and practical reasons (such as relevance of the measure) in a household survey context. The international standards recognise that business surveys and administrative records may be used to supplement household survey measures in order to arrive at the integrated and comprehensive measure envisaged by the labour force framework. Commonly, surveys aimed at measuring the economically active population are restricted to the civilian population (other than those living in institutions) above a specified minimum age.

2.4 The international standards and guidelines both recognise the need to exclude persons

below a certain age from the measures, without specifying a particular age limit. The responsibility for setting such limits lies with individual countries according to conditions prevailing in each country such as legislation governing the minimum school leaving age, labour laws setting the minimum age for entering paid employment, the extent of the contribution to economic activity by young people, and the cost and feasibility of accurately measuring this contribution in household surveys. The imposition of a maximum age limit is not a feature of the international guidelines but, for practical reasons, some countries do use a maximum age limit. The international guidelines also recognise the possible need, in the survey context, to exclude other population groups such as persons living permanently or semi-permanently in institutions.

2.5 The international standards require that members of the armed forces be classified as employed, and recommend that, for analytical purposes, the economically active population be divided into two segments: the armed forces and the economically active civilian population. The guidelines recognise that there may be difficulties in obtaining measures of the armed forces from labour force surveys, and that separate administrative counts may be necessary.

## **ECONOMIC ACTIVITY AND THE SNA PRODUCTION BOUNDARY**

2.6 The concept of economic activity underlying measures of the economically active population is compatible with the concept of economic activity used in the SNA. The concept of economic activity in the SNA is defined in terms of the production of goods and services falling within the SNA production boundary. In the SNA, production is viewed as a physical process in which labour and assets are used to transform inputs of goods and services into outputs of other goods and services. Economic activity covers all market production and certain types of non-market production including the production and processing of primary produce by households for their own consumption, the construction of dwellings and structures for own use, and the production of fixed assets<sup>1</sup> for own use.

**1. Fixed assets are defined in the SNA as produced assets that are themselves used repeatedly, or continuously, in processes of production for more than one year (SNA93, 10.7).**

2.7 While the SNA definition of the production of goods and services covers a wide range of activities, many other activities still remain outside its scope. Prominent are the production of domestic and personal services for consumption within the same household such as the preparation of meals, care and training of children, cleaning, and minor repairs. The rationale given by the authors of the SNA for their exclusion is the difficulty in making economically meaningful estimates of their values, and the adverse effects their inclusion would have on the usefulness of the accounts for policy purposes and analysis of inflation and unemployment. The extension of the production boundary to include the production of own-account household services would result in virtually the whole adult population being defined as 'economically active', unemployment would cease to exist, and employment statistics would become meaningless (SNA93, 6.22).

2.8 The SNA definition of production also excludes voluntary unpaid work associated with community charity and volunteer work. Services of this type include a wide range of welfare, sport, education, training, rescue and fire services. In general, the purpose of voluntary work is to provide a service to others which would not otherwise be available. Persons engaged in voluntary work do, however, contribute to national output and welfare. In recognition of this, the international guidelines contain a provision to identify persons engaged in voluntary work, as well as persons engaged in unpaid domestic activities falling outside the boundary of economic activity, and to classify them separately among the population not economically active (ICLS 1982). In addition, SNA93 recommends that the boundary of production could be extended by incorporating unpaid household work and volunteer and community work in so-called 'satellite accounts' (SNA93 21.120). These are accounting statements which are separate from, but consistent with, the existing national accounts.

## Current and usual economic activity

2.9 The international standards identify two measures of the economically active population: the currently active population measured in relation to a short reference period such as one week or one day; and the usually active population measured in relation to a long reference period such as one year.

2.10 The currently active measure provides a snapshot of the economically active population at a particular point in time. This current stock measure of the labour supply, collected at sufficiently frequent intervals, can contribute to the formation of national accounts data (particularly relating to compensation of employees), while monitoring labour market trends in general (and employment and unemployment levels in particular).

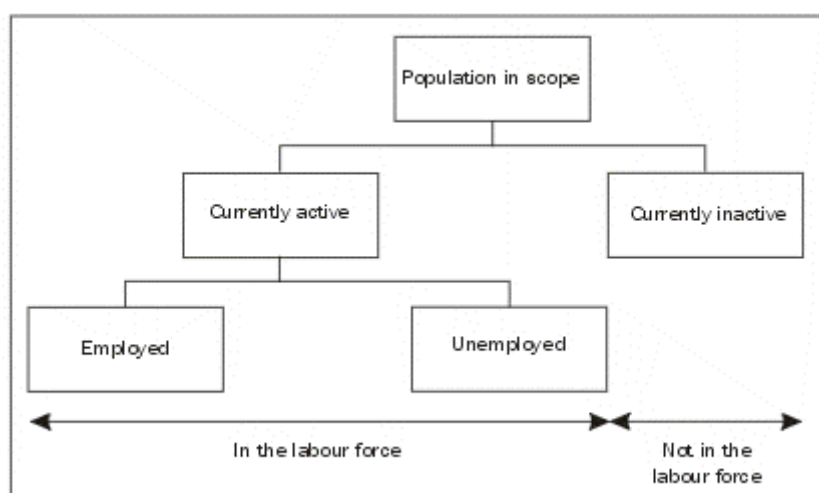
2.11 The usually active framework was introduced as an international standard in 1982, to be a framework for the collection of data reflecting the dominant pattern of activities over a lengthy period. The use of a long reference period can provide more representative estimates of the economically active population where economic activity has significant seasonal variation. Further, as it permits collection of information on not only the main activity of individuals over the year but also their other activities (e.g. spells of employment and unemployment), it is useful for analysis of employment and income.

## THE LABOUR FORCE FRAMEWORK

2.12 The currently economically active population is also referred to as the labour force. The labour force is conceptually equivalent to the labour supply available for the production of economic goods and services in a given period. The labour force is the most widely used measure of the economically active population. The term 'labour force' as defined in the international standards is associated with a particular approach to the measurement of employment and unemployment. Essentially this approach is the categorisation of persons according to their activities during a short reference period by using a specific set of priority rules.

2.13 The labour force framework classifies the in-scope population into three mutually exclusive categories, at a given moment in time: employed; unemployed; and not in the labour force. The employed and unemployed categories together make up the labour force which gives a measure of the number of persons contributing to, or willing to contribute to, the supply of labour at that time. The third category (not in the labour force) represents the currently inactive population. These concepts are represented in diagram 2.1.

### 2.1 THE LABOUR FORCE FRAMEWORK



2.14 Embedded in the labour force framework are rules for sorting the population into the three basic categories. These rules are applied in population surveys through three steps. The first involves identifying the in-scope population. The second involves identifying, within the in-scope population, those persons who are engaged in economic activity as defined either at work or temporarily absent from work. The third step involves identifying, among the remaining persons, those persons who were actively seeking and available for work, or who were not seeking work because they were waiting to commence a job that they had already found. The labour force framework classifies persons identified in the second step as employed, and those identified in the third step as unemployed. The residual population is classified as 'not in the labour force'.

2.15 The rules contained within the labour force framework have the following features:

- the activity principle, which is used to classify the population into one of the three basic categories in the labour force framework;
- a set of priority rules, which ensure that each person is classified into only one of the three basic categories in the labour force framework; and
- a short reference period to reflect the labour supply situation at a specified moment in time.

2.16 The rationale for the treatment of persons temporarily absent from work, and of persons waiting to start a job they have already found, stems directly from the labour supply perspective, and is discussed further in Chapter 3 and Chapter 6.

### **Activity principle**

2.17 The activity principle of the labour force framework requires that a person's labour force status be determined by what they were actually doing in the reference period, in terms of their engagement in, or capacity to engage in economic activity. Commonly, surveys seek responses to a series of activity-based questions, which reflect both the reference period and the priority rules. The purpose of the activity principle is to provide an objective measure of the labour force, seen as the current labour supply.

### **Priority rules**

2.18 Under the priority rules, precedence is given to employment over unemployment and to unemployment over economic inactivity. To ensure that all economic activity is covered, a practical minimum quantity of work is required (one hour or more in the short reference period); this also ensures that only those completely without work can be classified as unemployed. Of those completely without work, the unemployed must have taken active steps to obtain work and be currently available for work. The employed, the unemployed and the inactive are thus mutually exclusive and exhaustive components of the population.

2.19 Together, the priority rules and the activity principle provide unambiguous labour force measures, regardless of other activities that may be undertaken at the same time. For example, a person at work may also be actively seeking other employment; they are currently contributing to economic production and are therefore classed as employed, notwithstanding their job search. Similarly, a person working part-time while undertaking full-time study will be classed as employed. Likewise, a full-time student who is not working and is actively seeking and available for work will be classed as unemployed.

### **Reference period**

2.20 The concepts of employed and unemployed need to relate to short time periods if

meaningful measures are to be produced of current levels and changes in employment and unemployment. Two short reference periods are presented in the international standards as suitable for the purpose: one week; and one day. With employment and unemployment seen as stock concepts, the statistical measures would ideally be made at a precise point in time. However, the closest practical time-span which could represent a single point in time is one day or one week. The question of choice between a one week and a one day reference period for various labour statistics measures is not a recent problem but one which has been the subject of much consideration and debate by labour statisticians for over 50 years.

2.21 As a result of the application of the priority rule (under which economic activity, however little, has precedence over other, non-economic, activities), the labour force measured using a one week reference period must always be equal to or greater than the labour force measured using a single day of that reference week. The difference between the two measures depends on the relative number of people who change their activity status during a week. If there are no variations during the week, the two measures will produce identical results. However, the likelihood is that the differences will be fairly small, because, in the course of a week, the movement of people from unemployed to employed and from employed to unemployed is commonly more likely than people changing their status from inside the labour force to outside the labour force.

2.22 The solution adopted in the international standards aims to satisfy different conditions which exist among countries. In countries such as Australia, where regular full-time employment is dominant, similar average results will arise from the use of a reference period of a week or a single day; however, the one week reference period is likely to provide results of lower variance and is therefore preferred. Conversely, where people employed in casual, part-time, or temporary jobs constitute a significant proportion of total employment, the use of a one day reference period will provide a more precise measure of the employment and unemployment than that using a reference period of a week.

### **Extensions to the labour force framework**

2.23 The basic framework as outlined above can be extended to identify various sub-groups of employed (e.g. underemployed, full-time and part-time workers, persons in paid employment and self employment jobs), unemployed (e.g. long-term unemployed, youth), and persons not in the labour force (e.g. persons marginally attached to the labour force, discouraged job seekers). Extensions to the basic labour force framework are discussed in detail in subsequent chapters.

## **DEFINITIONS USED IN ABS SURVEYS**

2.24 The ABS produces estimates of the currently economically active population in a number of household surveys. Definitions of the currently economically active population used by the ABS align closely with international standards and guidelines.

### **GENERAL PRINCIPLES**

2.25 The ABS uses the labour force framework as outlined above for classifying the Australian population according to their labour force status (employed, unemployed or not in the labour force). Labour force status is derived by asking a series of questions about a person's work-related activities and availability for work in the reference period. The criteria for determining a person's labour force status are (broadly) as follows:

- whether a person has work (i.e. economic work, including production and processing of primary products for own consumption, own-account construction and other production of

fixed assets for own use, but excluding unpaid activities such as unpaid domestic work and volunteer community services); and

- whether those who do not have work are:
  - actively looking for work; and
  - available to start work.

2.26 The determination of labour force status from these criteria is as follows:

- a person who meets the first criterion is classified as employed and hence in the labour force (currently economically active);
- a person who meets all of the subsequent criteria (i.e. without work, actively looking for work, and available to start work) is classified as unemployed and hence in the labour force (currently economically active); and
- a person not classified as employed or unemployed is classified as not in the labour force (not currently economically active).

## **DEFINITIONS USED IN ABS HOUSEHOLD SURVEYS**

2.27 Labour force status is determined in a number of ABS household surveys. The Labour Force Survey is designed to produce precise estimates of employment and unemployment, and the definitions used align closely with international standards and guidelines. In other household surveys where labour force status is used as an explanatory or classificatory variable, it is generally not practical to determine employment and unemployment as precisely as in the Labour Force Survey. While aggregates produced from these other surveys are designed to be consistent with the international concepts of employment and unemployment, the treatment of certain small population groups is simpler than that used in the Labour Force Survey. Two alternative questionnaire modules are used to determine labour force status in these surveys: a reduced questionnaire module (for use in personal interviews), and a self-enumerated questionnaire module.

### **Labour Force Survey**

2.28 Estimates of the currently economically active population produced from the Labour Force Survey align closely with the international concepts and definitions outlined above. Discussed below is the scope of the population for which estimates are made, and the definition of labour force status used in the Labour Force Survey.

#### **Scope**

2.29 The scope of the population for which estimates are made is confined to the civilian, 'usually resident' population aged 15 years and over. The 'usually resident' population also excludes non-Australian defence personnel (and their dependants) stationed in Australia, diplomatic personnel of overseas governments, and persons who are usually resident in other countries and are temporarily<sup>2</sup> residing in Australia.

**2. Persons who are usually resident in other countries are considered to be temporarily residing in Australia if the total duration of their stay in Australia is less than 12 months.**

2.30 Practical collection difficulties and the low numbers involved have resulted in the exclusion

of Australian defence personnel from the Labour Force Survey. Where an estimate is required of the total labour force, for example in international comparisons collated by the ILO, survey estimates are supplemented by administrative counts of the defence forces.

2.31 An age limit of 15 years and over is used in the Labour Force Survey. Australian labour and compulsory schooling legislation have resulted in low numbers of young people being involved in economic activity. While such legislation varies from State to State, the net result is that age 15 is the lowest practical limit above compulsory schooling age at which it is feasible and cost-effective to measure the participation of young people in economic activity with acceptable accuracy.

#### Labour force status

2.32 The definitions of 'employed' and 'unemployed' used in the Labour Force Survey align closely with the international concepts and definitions outlined above.

2.33 **Employed** are defined as persons aged 15 and over who, during the reference week:

- worked for one hour or more for pay, profit, commission or payment in kind, in a job or business or on a farm (comprising employees, employers and own account workers); or
- worked for one hour or more without pay in a family business or on a farm (i.e. contributing family workers); or
- were employees who had a job but were not at work and were:
  - away from work for less than four weeks up to the end of the reference week; or
  - away from work for more than four weeks up to the end of the reference week and received pay for some or all of the four week period to the end of the reference week; or
  - away from work as a standard work or shift arrangement; or
  - on strike or locked out; or
  - on workers' compensation and expected to be returning to their job; or
- were employers or own account workers, who had a job, business or farm, but were not at work.

2.34 **Unemployed** are defined as persons aged 15 and over who were not employed during the reference week, and:

- had actively looked for full-time or part-time work at any time in the four weeks up to the end of the reference week and:
  - were available for work in the reference week; or
  - were waiting to start a new job within four weeks from the end of the reference week, and could have started in the reference week if the job had been available then.

2.35 **Persons not in the labour force** are defined as persons aged 15 and over who were not employed or unemployed, as defined. They include: persons who were keeping house (unpaid), retired, voluntarily inactive, or permanently unable to work; persons in institutions (hospitals, gaols, sanatoriums, etc.); members of contemplative religious orders; and persons whose only activity during the reference week was jury service or unpaid voluntary work for a charitable organisation.

2.36 The section below discusses the treatment in the Labour Force Survey of particular groups

of people as employed, unemployed or not in the labour force. These groups include: participants in labour market programs (such as participants in 'Work for the Dole' and 'Community Development Employment Projects' schemes); students; contributing family workers; and future starters.

#### Participants in labour market programs

2.37 A wide range of labour market programs is provided by governments. These programs aim to: assist the efficient functioning of the labour market; encourage and assist individuals and industry to improve the productivity and skills of the labour force; and improve the skills and employment prospects of people disadvantaged in the labour market. Programs implemented by governments take various forms including wage subsidies to employers, vocational training, and paid and unpaid work experience.

2.38 The Labour Force Survey does not ask any questions directly related to participation in labour market programs. Such information is neither necessary nor sufficient to determine labour force status. Individual participants are counted as employed, unemployed or not in the labour force according to economic (work-related) activity undertaken in the survey reference period. The labour force measure, based on economic activity tests, is thus consistent over time and independent of administrative changes to labour market programs or their eligibility rules.

2.39 The treatment of participants in various types of labour market programs is discussed below.

**2.40 Participants in programs involving a form of wages subsidy paid directly to employers** - persons working for pay in a job for which their employer receives a government subsidy are 'working in a job' (employed) regardless of the subsidy (about which the person may have no knowledge).

**2.41 Participants in programs involving training but no subsidy (paid either to employers or participants)** - if the participant worked for pay in a job (or was temporarily away from work) during the reference week they should be classified as **employed**. If they did no paid work (and were not temporarily away from work) they are classified as either **unemployed** or **not in the labour force** depending on whether they actively looked for, and were available to commence work, in the survey reference period.

**2.42 Persons on a 'Work for the Dole' scheme** - 'Work for the Dole' is a government program aimed at providing work experience to improve the skills, and future (paid) employment prospects, of people registered for unemployment benefits. Under 'Work for the Dole' schemes, to maintain their eligibility for benefits, persons are required to work on not-for-profit community-based projects for a number of hours per week.

2.43 Superficially, such persons might be regarded as 'employed' as they are working for one hour or more and receive a payment. However, they are not paid for their work by the organisations undertaking the community projects. The participants are receiving only their unemployment benefit entitlement<sup>3</sup>, paid directly by the administering government agency. As the community organisations do not have employer/employee relationships with the scheme participants, activity in a 'Work for the Dole' scheme is considered to be unpaid work.

**3. Plus an allowance to cover expenses associated with participation, such as transport, meals and so on.**

2.44 Accordingly, the labour force status of persons participating in 'Work for the Dole' schemes is determined according to economic (work-related) activity undertaken in the survey reference period.

**2.45 Community Development Employment Projects scheme** - this scheme of the Federal



Government provides local employment opportunities for Aboriginal and Torres Strait Islander communities in remote, isolated, rural and urban areas. Under the scheme, Indigenous communities and organisations can receive a grant, similar in value to the collective unemployment benefit entitlements of participating community members, to undertake a wide range of community development projects. Individuals can choose whether or not to participate in the scheme. Participants forgo their unemployment benefits in exchange for paid employment in the scheme. The work in which they might engage is determined by the community or organisation, and includes activities such as housing repairs and maintenance, artefact production, road works, market gardening, fishing and other business and cultural activities.

2.46 Under the Community Development Employment Projects scheme the community meets all legal responsibilities to its workers including the provision of award wages and conditions, workers' compensation insurance, and income tax liabilities. Accordingly, an employment relationship is deemed to exist between the community (employer) and the members of the community undertaking work (employees). Participation in the scheme is considered as engagement in a paid employment job, and participants are classified as employed.

### Students

2.47 Persons engaged in full-time or part-time study who satisfy the criteria for classification as employed are treated no differently to any other groups in the population, and their labour force status is determined according to economic (work-related) activity undertaken in the survey reference period.

### Contributing family workers

2.48 Persons working without pay in an economic enterprise operated by a related person are termed 'contributing family workers'. They are classified as 'employed' if they worked one hour or more in the reference week, and as 'unemployed' or 'not in the labour force' if they did not work during the reference week.

2.49 Although ILO guidelines indicate that an unpaid family worker is a person working without pay in an economic enterprise operated by a related person living in the same household<sup>4</sup>, in Australia there is no requirement for the related person to be living in the **same** household.

**4. Husmanns, R., Mehran, F., Verma, V., Surveys of economically active population, employment, unemployment and underemployment: An ILO manual on concepts and methods, International Labour Office, Geneva 1990.**

### Future starters

2.50 Future starters are those persons who were not employed during the reference week, and were waiting to start a job within four weeks from the end of the reference week, and could have started in the reference week if the job had been available then.

2.51 The current Labour Force Survey definition of unemployed only includes the subset of future starters who had actively looked for work in the four weeks to the end of the reference week (see paragraph 2.34). However, ILO guidelines do not require future starters to be actively looking for work in order to be classified as unemployed. Hence, the current Labour Force Survey treatment of future starters is not fully consistent with the ILO standards because the precondition of active job search is not waived, with the result that some future starters are defined as 'not in the labour force'.

### Other ABS household surveys

2.52 Most other ABS household surveys use one of the two alternative questionnaire modules

(the reduced questionnaire module used for personal interviews, or the self-enumerated questionnaire module) to produce estimates of the currently economically active population. While these modules are designed to be consistent with the international guidelines, there are some differences between estimates produced from the Labour Force Survey and those produced from surveys using these modules. These differences are due to differences in survey scope, and in the definitions of employment and unemployment used.

## Scope

2.53 The scope of the survey population varies across other household surveys. While it is sometimes broader than that used in the Labour Force Survey, it is often narrower. All ABS household surveys are restricted to the usually resident population but, unlike the Labour Force Survey, other household surveys may not be restricted to the civilian population, nor only to persons aged 15 years and over (for example the scope of the Census of Population and Housing includes all the usually resident population). However, estimates of labour force status from these surveys are generally only produced for persons aged 15 years and over, or for persons aged between 15 years and some upper age cutoff. Some household surveys exclude persons living in special dwellings<sup>5</sup> from scope, and unlike the Labour Force Survey may therefore exclude various institutionalised and other persons. Some other household surveys are restricted to subpopulations such as employees, or persons not in the labour force.

**5. 'Special dwellings' is an ABS term used predominantly in sample design for household surveys. The term is used to describe establishments which provide predominantly short-term accommodation for communal or group living and often provide common eating facilities. They include hotels, motels, hostels, hospitals, religious institutions providing accommodation, educational institutions providing accommodation, prisons, boarding houses, and short-stay caravan parks. Some special dwellings are designed for a particular purpose (e.g. hospitals) and, as such, provide accommodation for specific groups of people. For further information on special dwellings and ABS household survey design see Chapter 17.**

## Labour force status

2.54 In comparison with the estimates of labour force aggregates from the Labour Force Survey, the reduced questionnaire module recommended for use in personal interviews results in higher estimates of employed, lower estimates of unemployed, and higher estimates of persons not in the labour force. This arises from the simplified treatment of certain categories of persons:

- the reduced questionnaire module for personal interviews does not ask respondents who were not available to start work the reasons they were not available during the reference week. Therefore, the reduced questionnaire module does not identify persons who looked for work in the four weeks to the end of the reference week, but were not available to start work in the reference week because they were waiting to start a new job within four weeks from the end of the reference week (and could have started in the reference week if the job had been available then). Using the reduced questionnaire module such persons are classified as not in the labour force rather than as unemployed (about 1% of unemployed); and
- in the Labour Force Survey, persons on workers' compensation 'last week' and not returning (or who do not know if they will be returning) to work, and persons away from work for four weeks or more without pay, are classified as either unemployed or not in the labour force. Where the reduced questionnaire module is used, all persons absent from work, but who usually work one hour or more a week, are classified as employed (about 0.1% of employed).

Most Special Social Surveys use the reduced questionnaire module for personal interviews, to determine labour force status.

2.55 The self-enumerated questionnaire module also produces different estimates of employment, unemployment and not in the labour force, compared with the Labour Force Survey questionnaire. Some differences result from the shortened set of questions which, like the questions recommended for use in personal interview, cannot determine labour force status as precisely as the Labour Force Survey does. Other differences result from the self-enumerated nature of the questions and the inevitable differences in interpretation among respondents. As a result, labour force status from the self-enumerated questionnaire module is best used as an explanatory or classificatory variable to explain other phenomena, rather than for detailed analysis of the labour force itself. The Census of Population and Housing uses the self-enumerated questionnaire module.

## DATA SOURCES

2.56 Estimates of the currently economically active population are available from:

- the Labour Force Survey;
- the Census of Population and Housing; and
- Special Social Surveys.

## LABOUR FORCE SURVEY

2.57 The Labour Force Survey is the official source for Australian employment and unemployment statistics. It produces estimates of the currently economically active population (labour force) according to the concepts and definitions outlined above (paragraphs 2.28-2.51). The population in scope for the Labour Force Survey is the civilian, usually resident, population aged 15 years and over. Estimates from the Labour Force Survey are available by State/Territory, capital city/rest of State, and 67 sub-State regions (see Chapter 15 for more information on geographic classifications available from ABS household surveys). For more detail on the content and methodology of the Labour Force Survey see Chapter 19.

## CENSUS OF POPULATION AND HOUSING

2.58 The Census of Population and Housing uses the self-enumerated questionnaire module to produce aggregates of labour force status consistent with the international standards. However, because the self-enumerated questionnaire module uses a limited set of questions to determine labour force status, the results are not strictly comparable with those produced from other surveys (see paragraph 2.55). For these reasons, labour force status aggregates from the Census should be used with caution in analyses where labour force activities are a major focus. When comparing aggregates of labour force status from the Census of Population and Housing with aggregates from other surveys, users should also note differences in scope and methodologies across the surveys. For example the scope of the Census of Population and Housing, in including all the usually resident population (e.g. permanent defence forces as well as the civilian population), is less restrictive than that of the Labour Force Survey. Estimates from the Census are available down to the statistical local area level<sup>6</sup>. Refer to Chapter 18 for further information on the Census of Population and Housing.

**6. Statistical local areas (SLAs) consist of one or more Census collection districts. In aggregate, SLAs cover the whole of Australia without gaps or overlaps. An SLA consists of a single local government area, or part thereof, or any unincorporated area. For further information refer to Chapter 15.**

## SPECIAL SOCIAL SURVEYS

2.59 Most Special Social Surveys use the reduced questionnaire module for personal interviews to produce aggregates of labour force status consistent with international standards. However, because the reduced questionnaire module uses fewer questions to determine labour force status, the results are not strictly comparable with those produced from the Labour Force Survey (see paragraph 2.54). When comparing aggregates of labour force status from Special Social Surveys with aggregates from other surveys, users should also note differences in scope and methodologies across the surveys.

2.60 The labour-related Special Social Surveys, namely the Survey of Employment and Unemployment Patterns (Chapter 22) and the Survey of Employment Arrangements and Superannuation (Chapter 21), both produced aggregates of labour force status. Unlike most Special Social Surveys, neither of these surveys used the reduced questionnaire module to determine labour force status. Instead both surveys used questions asked in the Labour Force Survey to determine labour force status. However, the questions used in the Survey of Employment Arrangements and Superannuation were modified slightly from those used in the Labour Force Survey and collected information about two jobs where appropriate. For more information on these surveys please refer to the chapters listed above.

2.61 The Time Use Survey provides information on the daily activity patterns of people in Australia. It provides information about patterns of paid work and unpaid household and community work. The ABS has used data from the Time Use Survey to estimate the value of unpaid work falling outside conventional definitions of economic production (see paragraph 2.8). These estimates comprise unpaid household work, volunteer work and community work. For further details on the Time Use Survey see **How Australians Use Their Time 1997** (Cat. no. 4153.0). For further information on ABS estimates of unpaid household work see **Unpaid Work and the Australian Economy 1997** (Cat. no. 5240.0).

## MEASURES OF THE CURRENTLY ECONOMICALLY ACTIVE POPULATION

2.62 Measures of the currently economically active population include labour force participation rates, population ratios and estimates of gross flows.

### POPULATION RATIOS AND LABOUR FORCE PARTICIPATION RATES

2.63 Labour Force participation rates and other population ratios are used extensively in analyses of labour statistics, in particular for monitoring changes in the size and composition of the labour supply.

2.64 Population ratios provide information on the percentage of persons in a population with certain characteristics. For example an employment to population ratio provides information on the percentage of the population in employment. Population ratios can be calculated for the entire population, or groups within the population; for example, an unemployment to population ratio for persons aged 15-19 years provides information on the percentage of persons aged 15-19 years who are unemployed.

2.65 Labour force participation rates are a special type of labour force to population ratio. The labour force participation rate for any group within the population is the labour force component of that group, expressed as a percentage of the population in the same group.

2.66 The Labour Force Survey publishes both labour force participation rates and other population ratios on a regular basis. For more information on the contents and methodology of this survey refer to Chapter 19.

## **GROSS FLOWS**

2.67 Estimates of movements between labour force states (employment, unemployment, not in the labour force), from one month to the next are produced from the Labour Force Survey, and referred to as gross flows. The measurement of gross flows provides insight into the nature of changes in each of the labour force categories and highlights the changing nature of movements into and out of the labour force. For example, in a period of expanding job opportunities when unemployment is not declining, gross flows data may show that many persons previously classified as not in the labour force are now satisfying the criteria for being classified as unemployed. The analysis of gross flows data also provides a good indicator of trends and cyclical activity within the labour market.

2.68 Data on gross flows are available from the Labour Force Survey. Estimates relate only to those persons in private dwellings for whom information was obtained in successive surveys (about 80% of all persons in the survey). For further information on estimates of gross flows and on other outputs from the Labour Force Survey, or its methodology, refer to Chapter 19.

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